

County shall give a receipt to the said Underwriters for the purchase price paid. The proceeds of the Warrants shall be held in trust and applied solely for the purposes specified in this Warrant Resolution.

Section 10.2 Approval of Official Statement. The Commission hereby approves and adopts an Official Statement respecting the Warrants, said Official Statement to be in substantially the form presented to the meeting of the Commission at which this Warrant Resolution is adopted (which form shall be preserved in the pertinent records of the County pertaining to the said meeting and which is hereby adopted in all respects as if the same were set out in full herein), with such additions as may be necessary or appropriate to reflect the definitive pricing terms for the Warrants. The Commission hereby authorizes the use of said Official Statement by the Underwriters in connection with the reoffering of the Warrants. In evidence of the approval by the Commission of the said Official Statement, the President of the Commission is hereby authorized and directed to sign manually said Official Statement on behalf of the County and to deliver the same to the Underwriters, with such changes, not inconsistent with the provisions of the Warrant Resolution, as the President of the Commission, acting with the advice of Counsel to the County, shall deem necessary or desirable to consummate the sale and issuance of the Warrants.

Section 10.3 Use of Proceeds from Sale of the Warrants. The proceeds derived by the County from the sale of the Warrants shall be applied for the following purposes and in the following order:

(a) that part of said proceeds representing accrued interest on the Warrants from their date to the date of delivery thereof shall be deposited in the Warrant Fund and shall be applied for payment of the interest that will become due on the Warrants on October 1, 2003;

(b) the sum of \$48,240,948.00 shall be paid to the paying agent for the Refunded Warrants, to be applied for the redemption of the Refunded Warrants on April 7, 2003;

(c) the sum of \$520,000.00 shall be paid to the Director of Finance of the County to be applied to pay the expenses of issuing the Warrants; and

(d) the balance of said proceeds (\$50,512,419.90) shall be paid to the Director of Finance of the County to reimburse the County for capital expenditures previously made.

The President of the Commission is hereby authorized to approve changes in the amounts of proceeds applied for the respective foregoing purposes to the extent that any such changes are necessary or appropriate to accomplish the purposes of this Warrant Resolution.

Section 10.4 Call for Redemption of Refunded Warrants. Subject to the succeeding provisions of this section, the Commission hereby calls all of the Refunded Warrants maturing after April 1, 2003 for redemption on April 7, 2003, and will redeem and pay such warrants so

called for redemption on the aforesaid redemption date, at and for a redemption price, for each such warrant, equal to 102% of the outstanding principal amount thereof (as such term is defined and used in the authorizing resolution for the Refunded Warrants) of such warrant as of April 7, 2003. Upon the execution and delivery of the Warrant Purchase Agreement prior to such date, the Director of Finance of the County shall provide the paying agent for the Refunded Warrants with notice of such call for redemption.

Section 10.5 Authorization of Related Documents and Actions. The President of the Commission and all other officers of the County are hereby authorized and directed to execute, seal, attest and deliver such other documents and certificates and to take such other actions in the name and behalf of the County as may be necessary to consummate the sale and issuance of the Warrants and to carry out fully the transactions contemplated by the Warrant Resolution, including, without limiting the generality of the foregoing, the execution and delivery of a continuing disclosure agreement, a certificate establishing facts and circumstances necessary to support the conclusion that the Warrants are not "arbitrage bonds" within the meaning of Section 148 of the Code and otherwise comply with the Code and the applicable regulations thereunder, and various closing certificates and agreements as may be requested by Bond Counsel to the County.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Defeasance. All rights granted hereby shall be discharged and satisfied if the County shall pay or cause to be paid to the Holders of the Warrants the principal thereof and the interest thereon at the times and in the manner stipulated therein and in the Warrant Resolution or shall duly provide for the payment of such principal and interest. In such event, the Registrar shall pay or deliver to the County all moneys or securities held by it pursuant to the Warrant Resolution which are not required for the payment or redemption of Warrants not theretofore surrendered for such payment or redemption. For purposes of the Warrant Resolution (except as may herein be expressly provided otherwise), any of the Warrants shall be deemed to have been fully paid when there shall have been irrevocably deposited with the Registrar for payment thereof the entire amount (principal, interest and premium, if any) due or to be due thereon until and at maturity, and, further, any Warrants subject to redemption shall also be deemed to have been fully paid when the County shall have deposited with the Registrar (i) the applicable redemption price in cash of such Warrants, including the interest that will mature thereon to the earliest date on which they may, under the terms of the Warrant Resolution, be redeemed and (ii) a certified copy of a resolution calling such Warrants for redemption (if, under the terms of Section 5.1 hereof, the adoption of such a resolution is required).

In addition, any of the Warrants shall, for all purposes of the Warrant Resolution, be deemed fully paid if the Registrar shall be provided with each of the following:

(a) a trust agreement between the County and the Registrar (or another bank satisfying the requirements of the next paragraph of this section) that creates an irrevocable trust fund sufficient to provide for the payment and retirement of such Warrants (including payment of the interest that will accrue thereon until and on the dates they are retired, as such interest becomes due and payable), either by redemption prior to their respective maturities, by payment at their respective maturities or by payment of part thereof at their respective maturities and redemption of the remainder prior to their respective maturities, which said trust fund shall consist of (i) Permitted Defeasance Obligations which are not subject to redemption prior to their respective maturities at the option of the issuer and which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of all such Warrants, or (ii) both cash and such Permitted Defeasance Obligations which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose; provided, however, that said trust agreement shall require all cash held on deposit in such trust fund to be kept continuously secured by holding on deposit as collateral security therefor Federal Obligations having a market value at least equal at all times to the amount to be secured thereby;

(b) a certified copy of a duly adopted resolution of the Commission calling for redemption those of such Warrants that, according to said trust agreement, are to be redeemed prior to their respective maturities;

(c) a certificate of a firm of certified public accountants stating that, if the principal of and the interest on the Permitted Defeasance Obligations (if any) forming part of the trust fund provided for in the preceding subparagraph (a) are paid on the respective due dates of such principal and interest, said trust fund will produce funds sufficient to provide for the full payment and retirement of such Warrants; and

(d) an opinion of Bond Counsel to the effect that the execution and effectuation of the trust agreement referred to in the preceding subparagraph (a) will not result in subjecting the interest income on such Warrants to federal income taxation.

The provisions of this section providing for the deposit of moneys or Permitted Defeasance Obligations, or both, with the Registrar for the payment of any Warrants, or for the effectuation of a trust agreement between the County and the Registrar for the payment of any Warrants, may be satisfied by the deposit of such moneys or obligations or the effectuation of such trust agreement, as the case may be, with a custodian that is a bank or trust company qualified to be a successor Registrar, provided that such custodian and the terms and conditions of such deposit or trust agreement are acceptable to the Registrar.

Section 11.2 Persons to Whom Payment of Overdue Interest is to be Made. Any provision hereof to the contrary notwithstanding, Overdue Interest shall not be payable to the Holder of any Warrant solely by reason of such Holder having been the Holder of such Warrant

on the Regular Record Date with respect to the Interest Payment Date on which such interest became due and payable, but shall be payable by the Registrar as follows:

(a) not less than ten (10) days following receipt by the Registrar of immediately available funds in an amount sufficient to enable the Registrar to pay all Overdue Interest, the Registrar shall fix an Overdue Interest Payment Record Date for payment of such Overdue Interest;

(b) such Overdue Interest Record Payment Date fixed by the Registrar shall be a date not more than twenty (20) days following the expiration of the period described in the preceding subparagraph (a); and

(c) any Overdue Interest shall be paid by check or draft mailed by the Registrar to the Persons in whose names the Warrants were registered on the Overdue Interest Payment Record Date.

Payment of Overdue Interest in the manner prescribed in this paragraph to the Persons in whose names the Warrants were registered on the Overdue Interest Payment Record Date shall fully discharge and satisfy all liability for the same.

Section 11.3 No-Arbitrage Covenant. The County hereby covenants that it will not take any action, or omit to take any action, with respect to the investment of any proceeds of any of the Warrants, or any moneys accumulated by or on behalf of the County, if, as a result of such action by the County, or the omission of the County to take such action, as the case may be, such proceeds of any of the Warrants or such other moneys would be invested in a manner causing any of the Warrants to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder. Without limiting the generality of the foregoing, the County hereby covenants to take such actions as may be required to satisfy the arbitrage rebate requirement imposed by Section 148(f) of the Code, including the timely payment to the United States of America of any sums required to be so paid by said Section 148(f) and the maintenance of such records respecting the investment and expenditure of proceeds of the Warrants, as may be needed to calculate the amounts of any such required payments.

The County and the Registrar shall be fully protected in relying upon an opinion of Bond Counsel as to the proper interpretation and application of the provisions of this section and other provisions of the Warrant Resolution intended to prevent any of the Warrants from being or becoming "arbitrage bonds," and the County or the Registrar may take or permit actions not in compliance with such provisions if the County or the Registrar obtains a written opinion of Bond Counsel to the effect that such actions will not result in the interest income on any of the Warrants being or becoming subject to federal income taxation.

Section 11.4 Preservation and Inspection of Documents. All documents received by the Registrar from the County or from the Holders of the Warrants under the provisions of the Warrant Resolution shall be retained in its possession for a reasonable period of time and shall be subject at all reasonable times to the inspection of the County, the Holders of the Warrants and their agents and their representatives, any of whom may make copies thereof.

Section 11.5 Retention of Moneys for Payment of Warrants. The amounts held by the Registrar for the payment of the principal of and interest on any Warrants due on any date shall, pending such payment, be held in trust by the Registrar for the Holders of the Warrants entitled thereto, and for the purposes of the Warrant Resolution the principal of and interest on such Warrants shall no longer be considered to be unpaid. All liability of the County to the Holders of such Warrants and all rights of such Holders against the County under the Warrants or under the Warrant Resolution shall thereupon cease and terminate, and the sole right of such Holders shall thereafter be against such funds. If any Warrant shall not be presented for payment within a period of five (5) years following the date when such Warrant becomes due, whether by maturity or otherwise, or if the check or draft providing for any payment of interest on any Warrant shall not have been negotiated within such period, the Registrar shall, subject to the provisions of any applicable escheat or other similar law, return to the County any moneys theretofore held by it for payment of such Warrant or such interest, and such Warrant or the obligation to pay such interest, as the case may be, shall (subject to the defense of any applicable statute of limitation) thereafter be an unsecured obligation of the County.

Section 11.6 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of the principal of or the interest or premium (if any) on the Warrants, or the redemption date of any Warrants, shall be, at the locale of payment, a Saturday, Sunday or legal holiday or a day on which banking institutions are authorized or obligated by law to close, then payment of such principal, interest and premium (if any) need not be made on such date, but may be made on the next succeeding Business Day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized or obligated by law to close, with the same force and effect as if made on such date of maturity or such redemption date, and no interest shall accrue for the period after such date of maturity or such redemption date, as the case may be.

Section 11.7 Cancellation of Warrants. The Registrar shall forthwith cancel all Warrants which have been redeemed or paid by it and may destroy such Warrants and deliver a certificate to that effect to the County. No such Warrants shall be deemed to be outstanding under the Warrant Resolution and no Warrants shall be issued in lieu thereof.

Section 11.8 Persons Benefitted and Bound. Except as otherwise expressly provided in the Warrant Resolution, nothing herein or in the Warrants is intended or shall be construed to give any Person other than the County, the Registrar and the Holders of the Warrants any legal or equitable right, remedy or claim under or in respect to the Warrant Resolution, it being expressly provided that the Warrant Resolution shall be for the sole and exclusive benefit of the County, the Registrar and the Holders of the Warrants as and to the extent herein provided. The obligations herein undertaken shall be binding upon and shall inure to the benefit of the County, its successors and assigns.

Section 11.9 Severability. In the event that any provision of the Warrant Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.10 Notices. Any notices or other instruments delivered to the County shall be in writing, shall be mailed or delivered to the County at the Jefferson County Courthouse, 716 North 21st Street, Birmingham, Alabama 35203, and shall be addressed to the attention of the President of the County Commission. Any notice or other instrument give to the Registrar pursuant to the Warrant Resolution shall be in writing and shall be mailed or delivered to it at the designated corporate trust office of the Registrar at the address thereof.

Section 11.11 Governing Law. The Warrant Resolution and the rights and obligations of the County, the Registrar and the Holders of the Warrants shall be governed by and construed in accordance with the laws of the State of Alabama.

Section 11.12 Creation of Contract. The provisions of the Warrant Resolution shall constitute a contract between the County and each Holder of any of the Warrants.

Section 11.13 Article and Section Captions. The article and section headings and captions contained in the Warrant Resolution are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

Section 11.14 Effective Date. The Warrant Resolution shall take effect upon its passage and adoption by the Commission.

ADOPTED this _____ day of March, 2003.



President of
Jefferson County Commission

EXHIBIT A
FORM OF WARRANT

(Form of Warrant)

No. R-

\$ _____

**UNITED STATES OF AMERICA
STATE OF ALABAMA
JEFFERSON COUNTY
GENERAL OBLIGATION CAPITAL IMPROVEMENT AND REFUNDING WARRANT
SERIES 2003-A**

Interest Rate
_____%

Maturity Date

CUSIP

Subject to prior payment and other provisions as herein provided, JEFFERSON COUNTY, ALABAMA (herein called the "County"), hereby acknowledges itself indebted to, and orders and directs the County Treasurer to pay to CEDE & CO., or registered assigns, the principal sum of

_____ DOLLARS

on the date specified above with interest thereon from the date hereof until the maturity hereof at the per annum rate of interest specified above, payable on October 1, 2003, and semiannually thereafter on each April 1 and October 1 (each an "Interest Payment Date") until the due date hereof. The principal of and the interest on this warrant shall bear interest after their respective due dates until paid at the rate of interest borne by the principal hereof prior to maturity. All interest on this warrant (including, without limitation, interest on overdue installments of principal and interest) shall be computed on the basis of a 360-day year of 12 consecutive 30-day months. The principal of and the premium (if any) on this warrant shall be payable only upon presentation and surrender of this warrant at the designated office of The Bank of New York Trust Company of Florida, N.A., at its office in Syracuse, New York, or its successor as Registrar under the Warrant Resolution hereinafter referred to (herein, together with its successors in such capacity, called the "Registrar"), and the interest payable on this warrant on each Interest Payment Date shall (except for the final payment of such interest, which shall be made only upon the surrender of this warrant) be remitted by the Registrar by check or draft mailed or otherwise delivered to the registered holder hereof at the address shown on the registry books of the Registrar as of the fifteenth (15th) day of the month immediately preceding each such Interest Payment Date; provided, however, that any such payment of interest may be made by wire transfer so long as this warrant is registered in the name of Cede & Co. Any such payment of interest shall be deemed timely made if so mailed or transmitted by wire transfer on the Interest Payment Date (or, if any such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date). The principal of and the interest and premium (if any) on this warrant shall be payable in lawful money of the United States of America.

This warrant is one of a duly authorized issue of warrants of the County designated General Obligation Capital Improvement and Refunding Warrants, Series 2003-A, aggregating \$94,000,000 in principal amount (herein called the "Warrants"), which have been issued pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly those statutes codified as §§ 11-28-1 through 11-28-7, inclusive, of Code of Alabama 1975, as amended, and a resolution and order (herein called the "Warrant Resolution") duly adopted by the Jefferson County Commission, the governing body of the County.

By the execution and issuance of this warrant, the County acknowledges that it is indebted to the payee hereof in accordance with the terms hereof. The indebtedness evidenced by the Warrants is a general obligation of the County for the payment of the principal of, premium, if any, and interest on which the full faith and credit of the County have been irrevocably pledged.

[INSERT REDEMPTION PROVISIONS HERE]

It is hereby certified and recited that the indebtedness evidenced and ordered paid by this warrant is lawfully due without condition, abatement or offset of any description; that this warrant has been registered in the manner provided by law; that all conditions, actions and things required by the Constitution and laws of the State of Alabama to exist, be performed or happen precedent to and in the issuance of this warrant do exist, have been performed and have happened; and that the indebtedness evidenced and ordered paid by this warrant, together with all other indebtedness of the County, was at the time the same was created and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

The Warrants are issuable only as fully registered warrants in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the Warrant Resolution for the exchange of Warrants for a like aggregate principal amount of Warrants of the same maturity and in authorized denominations, all upon the terms and subject to the conditions set forth in the Warrant Resolution.

This warrant is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the Registrar and only upon surrender of this warrant to the Registrar for cancellation, and upon any such transfer a new Warrant of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Warrant Resolution. Each holder, by receiving or accepting this warrant, shall consent and agree and shall be estopped to deny that, insofar as the County and the Registrar are concerned, this warrant may be transferred only in accordance with the provisions of the Warrant Resolution. The Warrant Resolution provides that all payments by the County or the Registrar to the person in whose name a Warrant is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Any transferee of this warrant takes it subject to all payments of principal and interest in fact made with respect hereto.

The Registrar shall not be required to transfer or exchange any of the Warrants during the period that commences with the close of business on the fifteenth (15th) day of the calendar month next preceding any Interest Payment Date and that continues until the opening of business

on such Interest Payment Date or during the period that commences with the close of business on the thirtieth (30th) day of the calendar month next preceding any Redemption Date and that continues until the opening of business on such Redemption Date.

Execution by the Registrar of its registration certificate hereon is essential to the validity hereof.

IN WITNESS WHEREOF, the County has caused this warrant to be executed by the President of the Jefferson County Commission, has caused the official seal of the County to be hereunto affixed, has caused the signature of the aforesaid President to be attested by the Minute Clerk of the Jefferson County Commission, and has caused this warrant to be dated March 1, 2003.

JEFFERSON COUNTY, ALABAMA

By _____
President of the County Commission

ATTEST:

Minute Clerk of the County Commission

[SEAL]

(Form of Registration Certificate)

DATE OF REGISTRATION: _____

REGISTRATION CERTIFICATE

This Warrant was registered in the name of the above-registered holder on the date of registration shown above.

**THE BANK OF NEW YORK TRUST
COMPANY OF FLORIDA, N.A.**

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at the office of The Bank of New York Trust Company of Florida, N.A., located in Birmingham, Alabama.

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of this Warrant, the full and complete payment required to be made by or on behalf of the County to The Bank of New York Trust Company of Florida, N.A., through its office located in Syracuse, New York, or its successor (the "Registrar"), of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Warrants (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Warrants" shall mean:

\$94,000,000

JEFFERSON COUNTY, ALABAMA
GENERAL OBLIGATION CAPITAL IMPROVEMENT
AND REFUNDING BONDS, SERIES 2003-A

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Registrar or any owner of an Warrant the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Warrants or presentment of such other proof of ownership of the Warrants, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Warrants as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Warrants in any legal proceeding related to payment of Insured Amounts on the Warrants, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Registrar payment of the Insured Amounts due on such Warrants, less any amount held by the Registrar for the payment of such Insured Amounts and legally available therefor. This

policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Warrant.

As used herein, the term "owner" shall mean the registered owner of any Warrant as indicated in the books maintained by the Registrar, the County, or any designee of the County for such purpose. The term owner shall not include the County or any party whose agreement with the County constitutes the underlying security for the Warrants.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Warrants.

MBIA INSURANCE CORPORATION

(Form of Assignment)

For value received _____ hereby sell(s), assign(s), and transfer(s) unto _____ the within Warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney, with full power of substitution in the premises, to transfer this Warrant on the books of the within-mentioned Registrar.

DATED this _____ day of _____, _____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Warrant in every particular, without alteration, enlargement or change whatsoever.

[Form of Signature Guaranty]

Signature Guaranteed:

(Bank, Trust Company or Firm*)

By _____
(Authorized Officer)

Medallion Number: _____

* Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).